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Sweden

Fresh Deciduous Fruit

Annual

2001

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Report Highlights:

U.S. apple imports to Sweden decreased by 78 percent in 2000 compared to 1999 and the U.S. market share in Sweden decreased to only 1 percent. U.S. pear imports decreased by 35 percent in 2000, to 11 percent of the market. The strong dollar exchange rate and stiff competition from EU countries explain this negative development for U.S. fruits in Sweden. The market for organic fruits in Sweden is improving.

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Executive Summary

This report covers apples and pears. With commercial apple and pear production inadequate to cover domestic demand, Sweden is, by tradition, a large importer most of the year. Apple and pear imports cover approximately 60 percent of domestic consumption. U.S. market fell to 1 percent share of apple imports 11 percent of pear imports in 2000. The strength of the dollar against the Swedish krona and the supply of fruit sourced from EU member states during the period when U.S. apples are exported are the main factors affecting the market and U.S. trade.

Among European sources, French and Italian apples present the strongest competition. In the pear market, Argentina, Italy, France and Belgium are the strongest competitors in Sweden. Although statistically Netherlands appears as the largest exporter of apples and pears to Sweden, most of this trade represents fruit sourced from third countries.

The domestic commercial apple crop for 2001 is estimated at 18,000 metric tons, which is about 10 percent less than the record level in 2000. Domestic pear production in 2001 is estimated at 825 metric tons, compared to 1,375 metric tons in 2000. The outlook for 2001 is that domestic production will remain relatively stable. Imports from the U.S. will continue to depend on the European crop, and the dollar/krona rate.

On average, Swedes consume 13-16 kg per year of commercial apples and pears per capita. The country's total annual consumption of commercially grown apples and pears amounts to about 130,000 tons. In addition, an estimated 40,000-50,000 tons of home production is consumed. The successful U.S. "5 a day" campaign has spread to Sweden as well as to other European countries. The campaign is supported by cancer organizations as well as national and local governments.

Exchanges rates used in this report:

Average 1999: 1 USD = SEK 8.26

Average 2000: 1 USD = SEK 9.18

Production

Around 80 percent of the commercial fruit crop area is cultivated according to Integrated Production (IP) methods which aim at minimizing the risk for the environment and health. As of 1999, only IP fruit qualifies for the "SVENSKODLAT" (grown in Sweden) marketing label.

Apple Production

Apples are, by far, the most predominant fruit grown in Sweden. The only other deciduous fruits grown commercially are pears, plums and cherries. However, Sweden accounts for only 0.3 percent of the total EU apple production of approximately 8 million metric tons.

Every three years a comprehensive horticultural study is undertaken in Sweden. The most recent one, published in 2000, is based on 1999 data. More recent data from the Association for Fruit Growers, the major grower organization, shows that the commercial apple crop in 2001 is estimated at 18,000 tons, down 2,000 tons compared to 2000. In 2000, Swedish apple production reached its highest level in 20 years. Domestic production is not anticipated to change significantly for the next coming years. The most common varieties, Ingrid Marie and Aroma, account for over 50 percent of the commercial production. In the 1980's Swedish producers grew about 250 varieties, whereas today only about 15 varieties are grown.

During the past ten years, the commercial crop area has decreased by 400 hectares while the number of farmers has decreased by 25 percent. In spite of these developments, the total crop size has increased due to improved productivity. Most of the plantings are irrigated. The best areas for fruit production are situated in the south.

There are no official estimates of home orchard apple production. Based on previous years' calculations, the non-commercial harvest ranges between 40,000 to 50,000 tons. FAS/S has estimated the 2001 year crop at 43,000 metric tons.

Pear Production

Even in normal years, commercial pear production is very small in Sweden. Low yields often follow after a year with good yields. In 2001, production is estimated at 825 metric tons, down 550 metric tons from 2000. Five varieties make up 75 percent of the pear crop. These are in order of importance: Conference, Herzogin Elsa, Clara Frijs, Alexander Lucas and Pierre Cornielle. The non-commercial harvest is unofficially estimated at 11,000 tons, down by 1,000 tons from 2000.

Consumption

Previously, food consumption was estimated annually by the National Board of Agriculture (BoA). Now, Statistics Sweden (SCB) has this responsibility. Data from SCB are not yet available. The average per capita consumption in Sweden is 13-16 kg of commercial apples and pears per year. Total consumption is estimated at about 130,000 metric tons. In addition, an estimated 40,000 to 60,000 tons of home orchard production is consumed.

Home orchard production provides the greatest competition to domestic commercial production.

By way of comparison, the consumption of citrus fruits amount to 13 kg per capita per year. Swedes and Finns are ranked among the largest banana consumers in the world with an annual consumption of approximately 20 kg per capita. An estimated 5,000 metric tons of domestic cider and apple wine are produced in Sweden, but production is mainly based on imported concentrate and pulp.

The most common apple varieties in Swedish stores are Golden Delicious, Red Delicious, Ingrid Marie, and Granny Smith. Common pear varieties are Anjou and Conference. U.S. varieties fit very well with Swedish consumers' demand, but for the reasons mentioned above, the amount of U.S. apples and pears is decreasing in Swedish stores.

Trade

Imports of apples mainly take place in the November through March period, at time when southern hemisphere fresh crops come on the market. Total imports in 2000 amounted to 83,398 tons, almost as much as the year before. Imports from the U.S. have been declining during the past few years, reflecting the U.S. dollar's appreciation against the Swedish krona. In 2000, a total of 830 metric tons of apples (down 2,871 metric tons compared to 1999) were imported from the U.S., or 1 percent of total imports (down from 4.2 percent in 1999). The strength of the U.S. dollar and large domestic EU supplies explain the downward trend for U.S. apples. During the past two years, the EU market has been pressured by overproduction and consequently extremely low prices. In 2001, apple production in the EU is expected to decrease and pressures should ease somewhat. As mentioned above, European apples, especially French and Italian, provide the strongest competition. In 2000, about 30 percent of total apple imports by Sweden originated in France, and about 23 percent in Italy. Common imported varieties are Granny Smith, Golden Delicious, Red Delicious, and Gala as well as quality varieties like Royal Gala and Pink Lady. Varieties imported from the U.S. are Golden Delicious, Red Delicious and Granny Smith.

Total imports of pears by Sweden in 2000 amounted to 27,449 metric tons, down 13 percent from the year before. The U.S. Anjo pear is very popular in Sweden. Argentina, Italy, France and Belgium are competing countries.

As mentioned above, the Netherlands is the largest exporter of apples and pears to Sweden. However, an unknown, but certainly large, amount of apples and pears imported from the Netherlands originate in third countries.

Policy

EU policies stipulated in EU directive 2200/96, which aim to strengthen the sector through support to processing and marketing, apply in Sweden. Producer organizations can apply for program support of an amount up to 4.5 percent of their sales-- providing these organizations match such funding. The national limit is 2.5 percent of the turnover of all the growers' associations.

Although support for general apple/pear production is not offered, support of 7,000 per hectare (USD 423/acre) is available for organic fruit growers. This environmental support has been little used by Swedish fruit growers. The government has set a goal for 20 percent of total crop area for all types of products to be put into organic production. In 1999, only 2 percent of the Swedish orchards were certified organic. This certification is done by the non-government Swedish regulatory authority KRAV, a member of the International Federation of Organic Agriculture Movements (IFOAM).

Marketing

For reasons outlined above, the Swedish trade is somewhat pessimistic on market prospects for U.S. apples in Sweden. Duty-free imports from fellow EU member states, the EU's barriers against imports from third countries and the short shipping distances from EU countries compared to overseas shipping times have made the competitive environment difficult. Competitive pricing and quality advantages are the means to competing in this market. In Sweden, three organizations, ICA, COOP Norden and Axfood control about 80 percent of the retail market.

The market for organic fruits in Sweden has improved substantially during the past five years. Swedish consumers are becoming more and more environmental and health conscious in their choice of food. Distributors and retailers try to achieve marketing advantages in catering to these concerns. One of the leading retail chains in Sweden has increased its sales of organic fruits from 0.5 percent in 1997 to 13 percent in the first quarter of 2001. The increased demand for organic fruits in Sweden is in line with developments in the rest of Europe. The supply within Europe is not enough to cover demand, and Argentina, Chile and New Zealand have increased their exports of organic fruits to Europe. The Nordic countries, together with Germany and the United Kingdom, are the largest importers of organic apples and pears. The organically produced varieties that are grown/consumed are largely the same as the conventional varieties.

Statistical Section

PSD- Fresh Apples

PSD Table						
Country	Sweden					
Commodity	Fresh Apples				(HA)(1000 TREES)(MT)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		01/1999		01/2000		01/2001
Area Planted	1668	1668	1668	1531	0	1531
Area Harvested	1668	1668	1668	1531	0	1531
Bearing Trees	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0
Total Trees	0	0	0	0	0	0
Commercial Production	19000	19000	19230	20000	0	18000
Non-Comm. Production	47000	47000	45000	48000	0	43000
TOTAL Production	66000	66000	64230	68000	0	61000
TOTAL Imports	86655	86655	90000	86398	0	90000
TOTAL SUPPLY	152655	152655	154230	154398	0	151000

Domestic Fresh Consump	143154	143154	146230	148070	0	145000
Exports, Fresh Only	4501	4501	3000	1328	0	1000
For Processing	5000	5000	5000	5000	0	5000
Withdrawal From Market	0	0	0	0	0	0
TOTAL UTILIZATION	152655	152655	154230	154398	0	151000

Import- and Export Matrix- Fresh Apples

Import Trade Matrix			
Country	Sweden		
Commodity	Fresh Apples		
Time period	CY	Units:	Metric tons
Imports for:	1999		2000
U.S.	3701	U.S.	830
Others		Others	
France	26601	France	27243
Netherlands	19583	Italy	19692
Italy	12779	Netherlands	14832
Argentina	4962	Germany	6300
Germany	4621	Belgium	3979
Chile	3600	Argentina	3638
New Zealand	1803	Chile	2529
Belgium	1472	New Zealand	1875
Austria	1259	Brazil	1214

Total for Others	76680		81302
Others not Listed	6274		4266
Grand Total	86655		86398

Export Trade Matrix			
Country	Sweden		
Commodity	Fresh Apples		
Time period	CY	Units:	Metric tons
Exports for:	1999		2000
U.S.	0	U.S.	0
Others		Others	
Netherlands	3692	Netherlands	547
Norway	359	Finland	337
Finland	224	Norway	336
United Kingdom	23	Denmark	108
Total for Others	4298		1328
Others not Listed	203		0
Grand Total	4501		1328

Price Table- Fresh Apple

Prices Table			
Country	Sweden		
Commodity	Fresh Apples		
Prices in	SEK	per uom	kilogram
Year	1999	2000	% Change
Average year	5.32	5.19	
Exchange Rate	9.18	Local currency/US \$	

PSD- Fresh Pears

PSD Table						
Country	Sweden					
Commodity	Fresh Pears				(HA)(1000 TREES)(MT)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		01/1999		01/2000		01/2001
Area Planted	242	242	242	296	0	296
Area Harvested	242	242	242	296	0	296
Bearing Trees	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0
Total Trees	0	0	0	0	0	0
Commercial Production	1771	1771	2260	1375	0	825
Non-Comm. Production	11000	11000	13000	12000	0	11000
TOTAL Production	12771	12771	15260	13375	0	11825
TOTAL Imports	31684	31684	30000	27449	0	31000
TOTAL SUPPLY	44455	44455	45260	40824	0	42825
Domestic Fresh Consump	44326	44326	45160	40568	0	42725
Exports, Fresh Only	129	129	100	256	0	100
For Processing	0	0	0	0	0	0
Withdrawal From Market	0	0	0	0	0	0
TOTAL UTILIZATION	44455	44455	45260	40824	0	42825

Import- and Export Matrix- Fresh Pears

Import Trade Matrix			
Country	Sweden		
Commodity	Fresh Pears		
Time period	CY	Units:	Metric tons
Imports for:	1999		2000
U.S.	4472	U.S.	2925
Others		Others	
Netherlands	11135	Netherlands	9570
Italy	3265	Argentina	3185

Argentina	3121	Italy	2847
France	3065	France	2642
Belgium	2491	Belgium	2558
Chile	1959	Chile	1459
Spain	1120	Germany	822
Germany	696	Spain	731
Total for Others	26852		23814
Others not Listed	360		710
Grand Total	31684		27449

Export Trade Matrix			
Country	Sweden		
Commodity	Fresh Pears		
Time period	CY	Units:	Metric tons
Exports for:	1999		2000
U.S.	0	U.S.	0
Others		Others	
Norway	124	Netherlands	131
Netherlands	2	Norway	119
Estonia	2	Finland	6
Total for Others	128		256
Others not Listed	1		0
Grand Total	129		256

Price Table- Fresh Pears

Prices Table			
Country	Sweden		
Commodity	Fresh Pears		
Prices in	SEK	per uom	
Year	1999	2000	% Change

Average year	5.68	5.83	
Exchange Rate	9.18	Local currency/US \$	